GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:41
ANSWERED ON:21.10.2008
DOHA ROUND OF WTO NEOGTIATIONS
Lagadapati Shri Rajagopal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details and the status of the recent Doha round of World Trade Organisation (WTO) negotiations;

(b) whether the WTO negotiations failed as they are not in favour of India and the other developing countries and provide little opportunity to protect the farmers, small scale/cottage/ agro based industries and the domestic industry;

(c) whether India has opposed the WTO text;

(d) the details of the terms and conditions being imposed on the developing nations by the developed countries; and

(e) the steps taken by the Government to provide protection to the farmers/small scale/ cottage/agro based industries etc. in this regard?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

a) to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO.41 FOR ANSWER ON 21ST OCTOBER, 2008 REGARDING "DOHA ROUND OF WTO NEGOTIATIONS"

(a) & (b) A mini-Ministerial meeting of the World Trade Organisation (WTO), attended by about 30 Trade Ministers, was held in Geneva in July 2008. The objective of the meeting was to finalise modalities for Agriculture and Non-Agricultural Market Access (NAMA). Simultaneously, a meeting on Services ("Signalling" conference) was also held. The programme laid out by the Director General, WTO was to complete the Doha Round negotiations in all areas, including Services, Rules, Trade Facilitation, Trade and Environment, issues related to Trade-related Intellectual Property Rights etc. by the end of the year. The mini-Ministerial meeting, however, ended without an agreement on any issue.

While Ministers were amenable to moving towards an agreement on some issues in both Agriculture and NAMA provided other issues of concern to them were resolved to their satisfaction, there were many issues which either could not be discussed during the mini-Ministerial meeting or on which agreement could not be reached on account of persisting differences. While many of these were issues critical to developing countries, several were developed country concerns.

Following the impasse in the talks, the general opinion amongst WTO Members was that the negotiations should resume at the earliest opportunity. The multilateral process of discussions has since resumed in the WTO on both agriculture and NAMA issues.

(c) to (e) Negotiations in the WTO take place on the basis of draft modalities brought out from time to time by the respective Chairmen of the Negotiating Groups on Agriculture and NAMA containing, inter alia, proposals for reducing subsidies and tariffs etc. The draft modalities issued on 10 July 2008 and subsequent proposals brought out by the Director General of the WTO on 25 July 2008, formed the basis of discussions during the mini-Ministerial meeting. India voiced its concerns strongly in the meeting, wherever it felt that the proposals in the draft modalities had fallen short of its expectations and requirements.

The needs and interests of the developing countries, including the least developed among them, are at the heart of the present round of negotiations, which is a Development Round. These include special and differential treatment provisions for developing countries. Substantial and effective reductions in domestic support and tariffs in agriculture by developed countries, while enabling developing countries to protect and promote the interests of their low income and resource poor farmers, is a key priority for India in the negotiations. The two measures of Special Products (SPs) and the Special Safeguard Mechanism (SSM) are, therefore, critical and India and her coalition partners have been exercising caution and care in the negotiations to ensure the most favourable outcome possible.

Under the NAMA negotiations, India has been negotiating for flexibilities that are both appropriate and adequate to protect the sensitive industrial tariff lines of its cottage, micro, small and agro-based industries from the purview of the tariff reductions or bindings. These flexibilities are intended to protect India's infant and vulnerable industries.

Developed countries have pressed hard to protect their commercial interests whether in tariffs or trade-distorting subsidies, while demanding greater market access into developing countries. Developing countries, on the other hand, have been striving to keep the development dimension of the Doha Round firmly in focus. India has been working closely with her coalition partners in developing country groupings like the G33, G20 and NAMA 11 in order to achieve an outcome that would fully reflect the level of ambition of the Doha mandate and the interests of developing countries.